GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:4567
ANSWERED ON:22.04.2002
PRIVATE SECTOR`S PARTICIPATION IN CONSTRUCTION OF AIRPORTS
ASHOK KUMAR PATEL;DR. KIRIT SOMAIYA;PADAMSEN CHAUDHARY

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Government propose to encourage private sector`s participation in the construction of airports;

(b) if so, whether some private agencies are interested in construction of new airport on Built, Operation and Transfer (BOT) basis;

(c) if so, the details thereof;

(d) the time by which a final decision is likely to be taken in this regard;

(e) whether the Government received any proposal for New Mumbai Airport on BOT basis; and

(f) if so, the details thereof and reaction of the Government thereto?

Answer

THE MINISTER OF CIVIL AVIATION (SHRI SYED SHAHNAWAZ HUSSAIN)

(a) :- Yes, Sir.

(b), (c), (d) & (e) :- Private agencies have evinced their intererst in the construction of new airports at Devanahalli near Bangalore and Shamshabad near Hyderabad on Build, Own, Operate (BOO) basis and the Navi Mumbai airport on Build, Own, Operate and Transfer (BOOT) basis. The Airports located at Shamshabad near Hyderabad and Devanahalli near Bangalore are being developed as a Joint Venture on BOO basis. Thestrategic partner from the private sector will hold 74% stake in the project. the respective State Governments or their designated agencies shall hold 13% equity. Airports Authority of India (AAI) will hold 13% equity subject to acap of Rs.50 crores in each project. The preferred Bidderidentified for the project at Shamshabad is a consortium led by GMRVasavi and Malaysian Airport Holdings Berhard. For Devanahalli Project, the strategic joint venture partner is a consortium led by Siemens of Germany with Unique Zurich ofSwitzerland and Larsen and Toubro India Ltd. as the other members of the Consortia. The Shareholders Agreement has been signed on 23rd January, 2002 for Devanahalli airport project. Further actions for signing of various agreements and achieving financial closure will be taken by the respective State Governments.

(f) :- The Techno Economic Feasibility Report has been submitted by the City and Industrial Development Corporationof Maharashtra Ltd.(CIDCO)for construction of an international airport at Navi Mumbai. AAI has examined thereport and found the site technically suitable for establishing the second airport subject to certain physcial and operational limitations. Environment clearance is also necessary. These observations have been communicated to CIDCO and the Government of Maharashtra. Further action willbe possible after the State Government give their views on these observations.